

Circular  
No. 25-1-303

1 August 2002

EXPIRES 31 August 2004  
Information Management  
INFORMATION TECHNOLOGY INVESTMENT MANAGEMENT (ITIM)

1. **Purpose.** This circular establishes policy and implements the U.S. Army Corps of Engineers (USACE) Information Technology Investment Management (ITIM) business process.
2. **Applicability.** This circular applies to all elements of Headquarters (HQ), USACE, the Office of the Chief of Engineers (OCE), and all USACE Commands.
3. **Distribution.** Approved for public release; distribution is unlimited.
4. **References.** References are at Appendix A.
5. **Terms.** Special terms used in this publication are explained in Appendix B.
6. **Policy.** It is the policy of the U.S. Army Corps of Engineers that the defined set of IT investment management functions and activities set forth in this circular will be used as the official USACE-wide method for *selecting, controlling, and evaluating* IT investments. Funds will not be obligated or expended, nor released for use for any IT investments that have not successfully completed appropriate management oversight reviews as required by this circular and other regulations. The policy and ITIM business process set forth in this circular are mandatory and will be used by Commanders/Directors throughout USACE as a guide for implementing ITIM in their organization commensurate with their delegated authority. At all command levels, IT investments and the IT investment decisions will be:
  - a. Tied to strategic goals and missions/programs/projects;
  - b. Tied to the business process(es) they enable;
  - c. Linked to strategies that foster and enable e-government for the effective and efficient delivery of products and services to citizens, partners, stakeholders and customers;
  - d. Selected by a disciplined governance process based on business value and risk;
  - e. Acquired or developed in accordance with prescribed technical standards;
  - f. Acquired or developed to share data/information and create opportunities to unify and/or simplify systems and processes across the enterprise; and,

1 Aug 02

g. Acquired, developed, operated and maintained using cost, schedule, and other performance measurements that are monitored and reported to the IT investment sponsor and IT investment decision authority to assure systems are working together synergistically and are meeting performance goals.

7. **Responsibilities.**

a. The USACE Commanding General will:

(1) Articulate and update, as necessary, key enterprise strategic directions, business goals and strategies against which IT investment decisions will be made;

(2) Serve as the final approval authority for the USACE IT Investment Portfolio;

(3) Chair the Senior Program Budget Advisory Council;

(4) Establish a USACE Cross-Functional Assessment Team; and,

(5) Ensure that ITIM has been implemented in all USACE commands.

b. The USACE Chief Information Officer (CIO) will:

(1) Serve as the Commanding General's principal agent to facilitate the IT Investment Management business process;

(2) Manage and maintain the USACE IT Investment Portfolio, focusing on those IT investments that are enterprise-wide, i.e., have HQUSACE proponentcy, cross multiple command boundaries, or are otherwise of special interest;

(3) Serve as the Life Cycle Management of Information Systems (LCMIS) Milestone Decision Authority (MDA) for enterprise-wide IT investment programs and projects;

(4) Ensure that the USACE Corps Enterprise Architecture (CEA) is established within the guidelines of the Federal Enterprise Architecture Framework (FEAF), and includes appropriate configuration management practices;

(5) Serve in partnership with the Office of the Principal Assistant for Contracting (PARC) and the Directorate of Logistics Management to achieve efficiencies and economies in enterprise IT acquisition strategies;

(6) Support the USACE Chief Financial Officer (CFO) and IT investment sponsors in the preparation and submission of OMB Exhibit 53 and supporting Capital Asset Plans and Business Cases (Exhibit 300Bs) for major IT investments;

(7) Ensure IT investment selection, control and evaluation is accomplished IAW the ITIM business process, including supporting the ITIM management process, with the management review mechanisms provided herein (see Appendix C); and,

(8) Develop and maintain outcome-based performance indicators for the planning, alignment, and management of all corporate IT investments within the ITIM.

c. The USACE Chief Financial Officer (CFO) will:

(1) Conduct the Junior Program Budget Advisory Committee (JPBAC) as the mid-level management review board responsible for the preliminary review of ranked IT investment and funding recommendations, and serve as its Chairperson.

(2) Facilitate, and serve on, the Senior Program Budget Advisory Committee (SPBAC) as the senior-level executive review board (chaired by the CG) that makes the final decisions on ranked IT investments to ensure balance between command missions and the distribution of resources.

(3) Prepare and submit OMB Exhibit 53 and supporting OMB Exhibit 300Bs (Capital Asset Plan and Business Case) for major IT investments with support from the USACE CIO.

d. HQUSACE Staff Principals and Major Subordinate Commanders will:

(1) Streamline and reengineer business processes before making IT investments or modernization decisions;

(2) Be responsible for all program/project management aspects of the IT investment to include Capital Plan and Business Case preparation and compliance with the ITIM business process;

(3) Ensure that performance measurements are in place to assess the effectiveness and efficiency of their IT investments;

(4) Nominate a primary and alternate representative from either the MSC Headquarters or a subordinate District to serve on the CFAT; and,

(5) Participate in Junior/Senior Program Budget Advisory Councils, as required.

e. USACE Commanders/Directors will implement an ITIM business process described in this circular appropriate to their delegated authority to manage the IT investments in their IT Investment Portfolios. Commanders/Directors are responsible for providing direction to insure IT investments produce meaningful improvements in cost, quality, timeliness of service, and mission accomplishment as well as for providing feedback on command-wide, standard information systems to their HQUSACE functional proponents.

1 Aug 02

f. IT Investment Sponsors (Functional Proponents) will comply with the IT Capital Planning guidance and instructions issued by the USACE CIO; enter their IT investment information into the USACE IT Investment Portfolio System (ensure the information is kept up-to-date and accurate); prepare documentation, justification, and OMB Exhibit 300Bs for major IT investments; and present the IT investment business case to the CFAT. In addition, the IT Investment Sponsor will appoint a Program/Project Manager and establish a Program/Project Delivery Team (PDT) in accordance with ER 5-1-11 and ER 25-1-2.

8. **ITIM Business Process.** The ITIM business process (see Appendix D, Figure D-1), like any other business process, has its inputs, controls, and mechanisms and produces outputs or delivers services. The ITIM business process takes IT investment requirements (inputs), processes these inputs using controls (criteria, standards, checklists) and mechanisms (SMEs, teams, committees, councils, decision authorities) and produces outputs (assessments, prioritized lists, funding decisions). Its sole purpose is to ensure that the right IT investments are funded according to their function and importance to the USACE.

a. ITIM is used to manage IT investments – from requirements identification through the retirement or disposal of the IT investment asset; e.g., the retirement of an automated information system (AIS) or upgrade of communication circuits. IT investments, as an integrated “portfolio,” are approved by the IT Investment Decision Authority. The following are key components and functions embodied in the ITIM business process (see Appendix D for explanation of components and functions):

- Capital Planning;
- Investment Control;
  - Architecture Alignment and Assessment;
  - Information Assurance and Privacy;
  - Value/Risk Assessment;
  - Budget Decision;
- Benefit/Value Realization, including ancillary maintenance and manpower costs at each command; and,
- Life Cycle Management of Information Systems.

The first two components comprise the USACE Capital Planning and Control (CPIC) process and all four components comprise the USACE ITIM business process.

b. The ITIM business process is intended to achieve for the IT investment sponsor and the organization one or more of the following results or outcomes:

- Determining where resources are best allocated;
- Improving mission, program, and project performance;
- Improving business process;
- Increasing product/service delivery, quality, and customer satisfaction;
- Implementing E-government solutions;
- Enhancing data/information sharing;
- Reducing total cost of ownership;

- Eliminating duplicate systems;
- Selecting the right IT investments;
- Optimizing the IT infrastructure; and,
- Improving IT benefit/cost ratio.

In order to achieve the primary results or outcomes indicated above, the following must be implemented:

- (1) Identify opportunities to unify and/or simplify processes and information systems across the enterprise, and the Federal Government;
- (2) Promote alignment, integration, change, time-to-delivery, and convergence opportunities to improve mission, program, and project performance;
- (3) Enhance communication among and between lines-of-business and program areas across the enterprise;
- (4) Improve the consistency, accuracy, timeliness, integrity, quality, availability, access, and sharing of information;
- (5) Improve alternative and value/risk analysis to determine benefits, impacts, and appropriate performance measurements of IT investments;
- (6) Identify redundant, obsolete, or duplicative systems or processes and consolidate or eliminate where appropriate;
- (7) Achieve economies of scale by optimizing the sharing of IT assets, information systems, and services on a regional and enterprise basis;
- (8) Expedite the integration of legacy, migration, and new information systems; and,
- (9) Emphasize the inclusion of information security and privacy requirements throughout the IT investment's life cycle.

c. The ITIM business process is the primary means for selecting, controlling, improving and evaluating IT investments in the USACE IT Investment Portfolio. IT assets, initiatives, programs, and projects identified in the portfolio may involve new, changed, and on-going mission requirements. Examples include: A strategic business direction like becoming a "Learning Organization," an Army Knowledge Management (AKM) goal to webify applications, or sustaining base requirements for already installed IT assets, information systems, and networks. Each IT investment in the USACE IT Investment Portfolio includes funding requirements for the prior years, current budget year, budget year plus one, budget year plus two, and future outyears regardless of the funding source – direct, indirect, fee-for-service or PRIP. The USACE IT Investment Portfolio is managed in the aggregate; i.e., the consolidation of

1 Aug 02

various IT investment by "business domain," "lines-of-business," and/or "IT investment class" (such as office automation) as well as by each major IT investment itself.

d. For major IT investments, the IT investment sponsor prepares an OMB Exhibit 300B (Capital Asset Plan and Business Case) and presents their business case to the CFAT. IT Investment Portfolio management and IT investment funding is synchronized and integrated with the USACE budget business process, which is an adaptation of the DoD/Army Planning, Programming, Budget and Execution System (PPBES) methodology.

e. The USACE IT Investment Portfolio and major IT investments will be processed using the policy, discussion, definitions, and mechanisms described in this circular. Each ITIM management process team will perform its appropriate role and functions in the selection, control, and evaluation of the Corps IT investments. This will ensure that those IT investments recommended in the budget business process to the IT Investment Decision Authority for funding have been properly assessed and prioritized, from the most critical to the least important, based upon their benefit/value as well as alignment with the CEA and compliance with information security and privacy requirements. IT investment reviews may be tailored according to the scope, impact, or cost the IT investment, e.g., command-wide versus organization unique.

9. **Compliance Review.** ITIM is subject to review under the Command Staff Inspection Program.

10. **Implementation Schedule.** HQUSACE and all USACE commands will implement the policy, guidance and ITIM business process, with its supporting ITIM management processes, prescribed in this circular within 120 days of the publication date. USACE commands may tailor their implementation consistent with their delegated authority.

FOR THE COMMANDER:

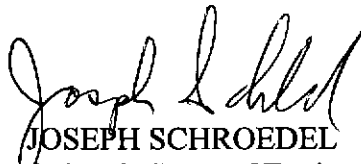
3 Appendices

App A – References

App B – Explanation of Terms

App C – Management Review  
Mechanisms

App D – Description of Key  
Components and Functions

  
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